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OBASKA LAKE MINES LIMITED



Annual Report

FOR THE YEAR ENDED DECEMBER 31, 1966

OBASKA LAKE MINES LIMITED

OFFICERS	W. W. DENNIS <i>President</i>
	F. L. BELANGER <i>Vice-President</i>
	G. D. PATTISON <i>Secretary-Treasurer</i>
	R. D. BELL <i>Assistant Secretary-Treasurer</i>
DIRECTORS	F. L. BELANGER Val d'Or, Quebec
	R. D. BELL Toronto, Ontario
	W. W. DENNIS Toronto, Ontario
	P. PAQUIN Val d'Or, Quebec
	G. D. PATTISON Aurora, Ontario
AUDITORS	NEFF, GOODWIN & Co. Toronto, Ontario
TRANSFER AGENT AND REGISTRAR	NATIONAL TRUST COMPANY, LIMITED . . . Toronto, Ontario
HEAD OFFICE	SUITE 509, 25 ADELAIDE STREET WEST . . Toronto, Ontario

OBASKA LAKE MINES LIMITED

Suite 509, 25 Adelaide Street West

TORONTO 1, ONTARIO

Directors' Report

To the Shareholders,
OBASKA LAKE MINES LIMITED.

Your Directors present herewith the financial statement of your Company for the year ended December 31, 1966, with Auditors' Report thereon dated March 1, 1967.

The Company continues to maintain its option on eight unpatented mining claims in Galinee Township, Quebec, and has completed the exploration work on the claims as required under the option agreement. The Company has obtained an extension of time until March 31, 1970, in which to fully exercise this option.

The mining claims in Lariviere and Bonnecamp Townships, Gaspé Park area, Quebec, and Victoria County, Nova Scotia, held by the Company as mining prospects were abandoned during the year. No work was performed on these mining claims due to inconclusive results obtained on adjacent properties in the immediate area by other mining companies.

Your Company has recently staked 14 mining claims and optioned 2 mining claims located in Township 80 on the north shore of Lake Superior, Ontario. This property is a promising base metal showing, and a geophysical survey is planned to commence immediately weather conditions permit.

Several other mining prospects were examined by your Company during the past year. The Company intends to continue this policy and has sufficient funds available to implement an exploration program on any property which it considers to have merit.

On behalf of the Board of Directors,

W. W. DENNIS

President.

Toronto, Ontario,
April 4, 1967.

OBASKA LAKE

(Incorporated under the laws of the Province of Ontario)

Balance Sheet

AS AT DECEMBER 31, 1966

Assets

CURRENT ASSETS:

Cash in bank	\$ 2,280.65	
Cash on deposit	<u>96,245.66</u>	\$ 98,526.31

INVESTMENTS:

Shares of another mining company — at cost (No quoted market value)	59,851.24
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MINING PROPERTIES — at cost:

Option on 8 mining claims in Galinee Township, Quebec (see note 1)	1.00
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DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURE:

Galinee Township option	29,712.17
	<u>\$188,090.72</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Obaska Lake Mines Limited as at December 31, 1966, and the statements of deficit and deferred expenditure for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above balance sheet and attached statements of deficit and deferred expenditures present fairly the financial position of the Company as at December 31, 1966, and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change in accounting practice as explained in note 2, with which we agree.

TORONTO, Canada,
March 1, 1967.

NEFF, GOODWIN & CO.
Chartered Accountants.

MINES LIMITED

(In accordance with the laws of Canada)

Sheet

March 31, 1966

Liabilities

CURRENT LIABILITIES:

Accounts payable \$ 376.45

Shareholders' Equity

CAPITAL STOCK:

Authorized: 5,000,000 shares of no par value

Issued: 4,377,505 shares \$673,130.00

DEFICIT 485,415.73 187,714.27

Approved on behalf of the Board:

G. D. PATTISON Director

W. W. DENNIS Director

\$188,090.72

Notes: (1) Mining properties

By an agreement dated March 31, 1965, as amended, the Company acquired an option on eight unpatented mining claims in Galinee Township, Quebec, and has completed the exploration work on the claims as provided by the agreement. In order to fully exercise this option the Company would be required to incorporate a new 5,000,000 share Company on or before March 31, 1970, to acquire the claims. The optionor would receive 350,000 of the vendor shares issued by the new company for the claims and would have the right to participate up to 15% in the financing of the new Company.

(2) Change in Accounting Practice

In prior years, administration and general expenses have been included in deferred expenditure. These expenses for the current year are shown in the statement of deferred expenditure and have been transferred to deficit together with the deferred administration and general expenditure at the beginning of the year.

OBASKA LAKE MINES LIMITED

STATEMENT OF DEFICIT

FOR THE YEAR ENDED DECEMBER 31, 1966

Balance, December 31, 1965		\$470,254.68
Acquisition cost of mining claims abandoned:		
Fenelon and Subercase Townships, Quebec	\$1,602.00	
Lariviere and Bonnecamp Townships, Quebec	1,500.00	
Victoria County, Nova Scotia	3,005.00	6,107.00
Administration and general expenditure — written off		8,346.88
Prospecting expenses		707.17
Balance, December 31, 1966		<u>\$485,415.73</u>

STATEMENT OF DEFERRED EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1966

EXPLORATION AND DEVELOPMENT:

Galinee Township		
Balance, December 31, 1965		\$ 28,179.66
Geophysical survey	\$ 895.00	
Supplies	377.85	
Licenses, fees and taxes	256.46	
Sundry	3.20	1,532.51
Balance, December 31, 1966		<u>\$ 29,712.17</u>

ADMINISTRATION AND GENERAL:

Balance, December 31, 1965		\$ 9,054.31
Head office services	\$1,800.00	
Transfer agent's fees	629.40	
Legal and audit fees	280.00	
Shareholders' reports	630.93	
Directors' fees	150.00	
Government fees and taxes	104.92	
Postage and office expense	14.70	
Sundry	151.50	3,761.45
		<u>\$ 12,815.76</u>
Less: Interest earned		4,468.88
Balance, December 31, 1966, transferred to deficit		<u>\$ 8,346.88</u>

